

VZCZCXRO3743
RR RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV
DE RUEHLJ #0439/01 1861325
ZNY SSSSS ZZH
R 051325Z JUL 07
FM AMEMBASSY LJUBLJANA
TO RUEHC/SECSTATE WASHDC 5950
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEAIIA/CIA WASHDC
RUEKDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/OSD WASHINGTON DC
RUEKJCS/JOINT STAFF WASHDC

S E C R E T SECTION 01 OF 03 LJUBLJANA 000439

SIPDIS

SIPDIS

E.O. 12958: DECL: 06/15/2017
TAGS: [PGOV](#) [PINR](#) [SI](#)
SUBJECT: SLOVENE INTELLIGENCE AGENCY IN CRISIS

Classified By: COM Thomas B. Robertsons for reasons 1.4 (b) and (d).

11. (U) Summary. The Slovene Intelligence and Security Agency (SOVA) has come under close scrutiny recently by a Government of Slovenia (GOS) task force specially formed to investigate alleged irregularities in SOVA's performance. What was intended to be a confidential investigation was leaked to the press in its early stages and has continued to provide Slovenia's "investigative" reporters with sensational material. The investigation has implicated the former Chief of Intelligence, Iztok Podbregar in wrong doing and has also insinuated misuse of funds by President Drnovsek. Additionally, the official investigation and subsequent reporting has revealed the details of a cooperative program between SOVA and the German intelligence agency (which had been quickly terminated by the Germans upon learning of the investigation). Opposition parties have cried foul claiming this is all just a witch hunt aimed at discrediting SOVA so the current government will have sufficient reason to shut it down and create a new agency more in line with its own values. The GOS maintains that SOVA has developed rogue tendencies and must be brought under control. Ultimately, the entire episode (which continues to unfold) has done serious damage to Slovenia's reputation as a reliable intelligence partner in the region. End Summary.

Investigative Task Force Finds Irregularities

12. (U) In February of this year the GOS created a confidential Task Force for the evaluation of the work of

SIPDIS
SOVA, and in March information of its existence leaked to the public resulting in a demand for more information by the Parliamentary Intelligence Committee, which is led by an opposition law maker. In late March, the GOS released the names of the Task Force members: Minister of Justice Lovro Sturm, Minister of Education, Milan Zver, Minister of Environment, Janez Podobnik, Minister of Defense Karl Erjavec, Vinko Gorenak, State Secretary in the Prime Ministers office with intelligence responsibilities, Tone Jerovsek, former Constitutional Court Judge and professor of law, Milko Mikola, Undersecretary at Ministry of Justice, Branko Cvelbar, Deputy Director of SOVA, Peter Jesovnik, Deputy Head of the GOS Office for EU Affairs, and Sleksander Lavrih, National Security Advisor to the Prime Minister.

13. (U) To date, there have been three reports from the Task Force. The first was released to the public in April 2007. It cited SOVA for failure to send files from its Yugoslav predecessor the Office of National Security (SDV) to the National Archives within a year of the passage of the law

requiring this in 1999. The Task Force further noted that a paper shredder was located in SOVA's archives, which it believed to be inappropriate. It has since been removed.

¶4. (U) The second intermediate report came out in early May. It concluded that SOVA had improperly received and used funds from foreign security and intelligence agencies. These so-called "black funds" were received contrary to Slovene legislation which states SOVA may receive funds only from the GOS budget. In this report, the Task Force further revealed that some of these funds were used to purchase an air ticket for a foreign citizen and for an unknown purpose. TV reporting later revealed that the ticket was purchased for the use of an Indian national involved in homeopathic healing to visit with Slovenia's President, Janez Drnovsek. Drnovsek suffers from cancer, currently in remission, and has been very public about his rejection of modern Western medicine. Despite his quirks, Drnovsek still enjoys wide respect and loyalty from the Slovene public, and at this point, the media began reporting on a possible motivation of the GOS for conducting this investigation being a way to discredit Drnovsek.

¶5. (U) The third Task Force report released in late May revealed the SOVA had illegally established a private internet company known as WEBS d.o.o. for the purpose of supporting SOVA surveillance activities. The project had been established in April 2004 and was supported by outside funding (non-GOS) through June 2005. The Task Force determined that the GOS had not been informed about the activities related to this company. The then Director of SOVA, Iztok Podbregar is currently a advisor to President Drnovsek.

¶6. (U) In late May, PM Jansa held a press conference to

LJUBLJANA 00000439 002 OF 003

address the contents of the three reports, saying through this investigation, the GOS had successfully checked the illegal activities being carried out by SOVA. He stated that SOVA did not have the authority to manage extra-budgetary funds, retain archived material from pre-independence times, or to surveil Slovene citizens, all of which it had been doing in the last several years.

GOS Stung by Public Reactions

¶7. (U) President Drnovsek, who initially had not reacted to the accusations against him, later stated that he had been unaware that "black-funds" had been used to bring the Indian healer to Slovenia. He said he relied on his staff, including Podbregar, SOVA director at the time, to handle this properly. Perhaps sensing an opportunity to put to rest a public squabble that could do more damage than good, Jansa agreed that Drnovsek most likely was unaware of the source of funding for the travel of his guest.

¶8. (U) Milan Kucan, Drnovsek's predecessor as President of Slovenia, uncharacteristically chose to weigh in publicly on this issue, though he was never implicated in any reports. Commenting on the fact that the GOS had recently handed its findings to the State Prosecutor's office to begin legal proceedings, Kucan accused PM Jansa of wanting to subordinate the "last independent institution in Slovenia: the Judiciary." Kucan accused the GOS of taking this public in order to put pressure on the Judiciary to ensure a certain outcome - the destruction of SOVA through slander and unsubstantiated charges or malfeasance. Jansa responding by assuring the public all the findings were supportable by facts and evidence. (Comment: Kucan was President of the League of Communists of Slovenia when Jansa was jailed in the '80's and some say he could have secured Jansa's release, and even might have been able to prevent his detention. End Comment).

¶9. (U) Annoyed that it had not been made aware in advance of the establishment of the Task Force, and in a tit-for-tat and not entirely logical move, the Parliamentary Commission for the Control of the Intelligence and Security Agencies led by opposition parliamentarian Dusan Kumer, concluded in late May a report on the activities of SOVA since March 1, 2007. This report concluded the law on Confidentiality of Information may have been violated when letters revealing the existence of "black funds" were sent Minister of Finance Andrej Bajuk. These letters are widely believed to have instigated the establishment of the Task Force. The Commission also reproached the GOS for its lack of respect of Parliament's control of the intelligence agencies.

¶10. (U) Media and other public reaction to the SOVA affair have been generally critical of PM Jansa and his government. The public objected to the handling of President Drnovsek and the consensus seemed to be critical of the way the information was revealed to the public. Some criticized the Task Force for compromising methods and sources. This has had a net negative effect in the polls for the GOS. In one poll, popularity has plunged by 14 percent. More recent media reaction has discussed the damage this had done to Slovenia's reputation internationally citing the disclosure of a joint operation with the Germans which was summarily shut down when the investigations began.

Former PM Talks to Press

¶11. (U) In late June former Prime Minister Anton Rop, who held the office from 2002-2004, confirmed a press report that SOVA had overheard Jansa and Croatian PM Sanader discussing creating disturbances in Piran Bay prior to the 2004 Parliamentary elections in Slovenia. Both Jansa and Sanader have vehemently denied this, with Jansa threatening Rop with a defamation of character law suit if Rop does not offer a public apology.

Comment

¶12. (S/NF) Speculation on Jansa's motives for going after SOVA usually come back to the perception that he desires to

LJUBLJANA 00000439 003 OF 003

control all aspects of the government. SOVA is still staffed by many holdovers from the SDV which was responsible for jailing Jansa in the '80s. He has little reason to trust the agency and appears to be taking revenge. In the process, he is also clearing out a handful of senior-level, retrograde holdovers from the Yugoslav era and bringing the work of the intelligence agency into line with more modern European practices. However, this has been handled very clumsily, and in the short run at least, he has paid a heavy political price in the process. The exposure of specific SOVA operations and targets will severely undermine the service's credibility with western Balkans intelligence services.

¶13. (S/NF) Slovenia serves as the main interlocutor with other Balkan countries on the EU evaluation committee to determine the suitability of those countries for NATO and EU membership; SOVA was to serve as the lead agency to judge and ensure the professionalism of those countries' intelligence and security services. The exposure of SOVA activities and the political infighting has caused significant blowback for the service among its international partners and for its ongoing intelligence collection operations. Once viewed as a premier Eastern European intelligence service, SOVA's intelligence service partners increasingly consider SOVA stagnant and ineffective.
ROBERTSON